

NEWS RELEASE

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For Immediate Release
December 21, 2005

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Carlinville Area Hospital Agrees to Pay \$1.25 Million in Civil Settlement

Springfield, Illinois - Carlinville Area Hospital has made an initial payment of \$100,000 toward the \$1.25 million it has agreed to pay the United States over the next five years under the terms of a False Claims Act civil settlement, announced today by Rodger A. Heaton, U.S. Attorney for the Central District of Illinois.

As part of the agreement, Carlinville Area Hospital accepts responsibility for acting with reckless disregard in the filing of false Medicare claims from February 1997 until December 2001. The hospital, relying on the advice of an outside consultant, submitted false claims to Medicare using specific diagnosis codes for gram negative pneumonia, septicemia and acute renal failure that were not supported by the patients' medical records. This caused the hospital to receive a significantly higher reimbursement from Medicare than it would have otherwise received.

U.S. Attorney Heaton said, "Every abuse of the Medicare system erodes the public's confidence and reduces the money available to provide health care for our senior citizens. Hospitals shoulder the responsibility not only to provide the quality health care citizens expect and deserve but also to fairly bill Medicare for those services."

The investigation and negotiations with Carlinville Area Hospital were conducted by the U.S. Attorney's Office for the Central District of Illinois, the Office of Inspector General of the U.S. Department of Health and Human Services, and the Medicaid Fraud Control Unit of the Illinois State Police.

(More)

As part of the civil settlement agreement, Carlinville Area Hospital has entered into a five-year corporate integrity agreement with the U.S. Department of Health and Human Services. Among the agreement's provisions, Carlinville Area Hospital has committed to improving its billing procedures, and to provide information to HHS that demonstrates these improvements; to engage an independent entity to review the hospital's billing and coding practices; and to establish a disclosure program for employees' to report potential violations associated with Federal health care programs.

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